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**District 2 Community Enhancement Corporation
Financial Statements and Accountant's Review Report
For the Year Ended June 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07

STATE OF LOUISIANA

AGENCY: District 2 Community Enhancement Corporation

PARISH OF: Orleans

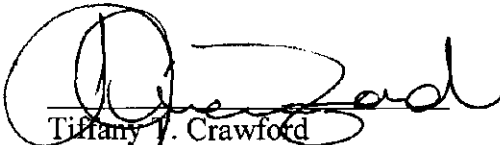
FISCAL YEAR ENDED: 2005

BEFORE ME, the undersigned authority, personally came and appeared, Tiffany Crawford, Executive Director, District 2 Community Enhancement Corporation, a resident of Orleans Parish who attested to the following:

I Tiffany Crawford, Executive Director, District 2 Community Enhancement Corporation have been in my above referenced capacity since January 1, 2005. I have personal knowledge that the agency's financial records were destroyed by the catastrophic effects of Hurricane Katrina. Sixty percent of the agency's aforementioned records for the fiscal year ended 2005 are currently available. However there is not sufficient evidence to provide for an audit as required by the audit law of the State of Louisiana.

There are sufficient records to provide for a sworn financial review for the fiscal year ended June 30, 2005.

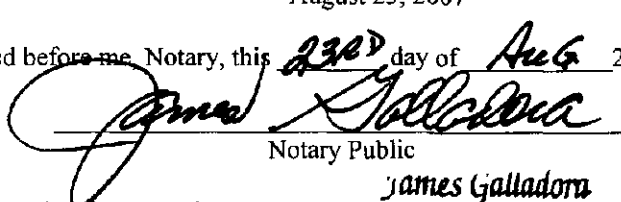
I understand that this affidavit and the accompanying financial reports, if applicable, serve as a special reporting for fiscal year ended 2005 given the catastrophic destruction of the records. I have developed a plan for complying with the reporting requirements of the audit law for all future years.


Tiffany T. Crawford
Executive Director

P.O. Box 77685
Baton Rouge, LA 70879
225-756-5202

August 23, 2007

SWORN TO and subscribed before me, Notary, this 23rd day of Aug 2007.


Notary Public

Printed or Typed Name: James Galladorn
Notary ID or Bar Roll No. Notary # 312
My commission is for life My Commission is for life.

Policy Statement for

Auditees Whose Records Have Been Destroyed by Hurricanes Katrina and Rita

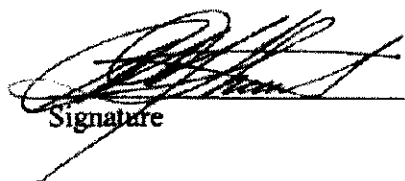
Due to the catastrophic effects of Hurricanes Katrina and Rita, it has come to my attention that some auditees, primarily local auditees, are unable to provide the assurance detailed in the audit law because of a loss of records due to the natural disasters of the aforementioned hurricanes.

In my capacity as Legislative Auditor, I am empowered by the Constitution to be the fiscal advisor to the Legislature and to perform duties and functions relating to auditing fiscal records of the state, its agencies, and political subdivisions. In this capacity, I have the authority to compile financial statements and to examine, audit, or review the books and accounts of the state treasurer, all public boards, commissions, agencies, departments, political subdivisions of the state, public officials and employees, public retirement systems ...municipalities and all other public or quasi-public agencies or bodies, hereinafter collectively referred to as the "auditee" R.S. 24:513A(1)(a). I exercise my responsibilities and duties through the employment of professional personnel in the unclassified service of the state and through the approval of the engagements of licensed certified public accountants retained by auditees.

The audit law is specific in regard to the standards by which audits and reviews are to be conducted by the Legislative Auditor and persons appointed by him or approved by him. The law is, however, silent as regards the Legislative Auditor's responsibilities for reporting when the records of an agency have been destroyed as above described. However, the underlining premise of the Constitution and audit law is that the Legislative Auditor is empowered to determine, within generally accepted governmental auditing standards, the best manner of reporting in order to render to the Legislature and the citizens of Louisiana a fair and accurate account of the fiscal records of the state.

It is, therefore, my determination that when the Director of Advisory Services has concluded that the records of an auditee have been totally or partially destroyed, the Director of Advisory Services has authority to direct the agency as to what reporting will be acceptable to the Legislative Auditor. In all instances, I require that the agency head execute an affidavit wherein the agency head describes, in detail, the date, time, and circumstances of the destruction of the financial records. I further require that the agency head within the affidavit assure that there is a plan for compiling the financial records and reporting as required by the audit law for subsequent years.

Once I have received the agency head's affidavit and the Director of Advisory Services' recommendation, I will tender the appropriate authority for that auditee's reporting for the catastrophic year.



Signature



Date



CURTIS A. MORET
CERTIFIED PUBLIC ACCOUNTANT

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To the Board of Trustees of
District 2 Community Enhancement Corporation

I have reviewed the accompanying statement of financial position of District 2 Community Enhancement Corporation (a nonprofit organization) as of June 30, 2005, and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of District 2 Community Enhancement Corporation.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Firm's signature

December 26, 2006

Report date

District 2 Community Enhancement Corporation
Statement of Financial Position
June 30, 2005

ASSETS

Current assets:

Cash and cash equivalents	\$ 171,266
Accounts receivable	<u>61,614</u>

Total current assets/total assets	<u><u>232,880</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	9,960
Accrued liabilities	<u>7,635</u>

Total current liabilities/total liabilities	17,595
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Net assets:

Unrestricted net assets:	
Operating	<u>215,285</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>232,880</u></u>
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District 2 Community Enhancement Corporation
Statement of Activities
For the Year Ended June 30, 2005

REVENUE:

Grants	\$ 603,814
Interest	<u>470</u>
Total Revenue	<u>604,284</u>

EXPENSES:

Program Services:	
Cultural Enhancement	206,064
Community Awareness	132,312
Economic Development	17,192
Youth Services	<u>9,416</u>
Total Program Services	364,984

SUPPORT SERVICES

General & Administrative	<u>24,015</u>
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Total Expenses	<u>388,999</u>
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Change in Net Assets	215,285
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Net Assets, beginning of year	<u>-</u>
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Net Assets, end of year	<u><u>215,285</u></u>
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District 2 Community Enhancement Corporation
Statement of Cash Flows
For the Year Ended June 30, 2005

Cash Flows Provided By Operating Activities:

Change in Net Assets	\$ 215,285
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase in accounts receivable	(61,614)
Increase in accounts payable	9,960
Increase in accrued liabilities	<u>7,635</u>
Net cash provided by operating activities	<u>171,266</u>
Net increase in cash and cash equivalents	171,266
Cash and cash equivalents, beginning of year	<u>-</u>
Cash and cash equivalents, end of year	<u><u>171,266</u></u>

District 2 Community Enhancement Corporation
Notes to Financial Statements
June 30, 2005

Note A - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

District 2 Community Enhancement Corporation (District 2) was incorporated in July 2004 as a mechanism for convening and providing services to the diverse neighborhoods of Senate District 2 which includes New Orleans East and the Lower Ninth Ward, in Orleans Parish, New Orleans, Louisiana. The mission of District 2 is to enhance the quality of life of residents of New Orleans East and the Lower Ninth Ward through advocacy, programming and organized community action.

Basis of Accounting

The financial statements of District 2 have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

District 2 is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

District 2 Community Enhancement Corporation
Notes to Financial Statements
June 30, 2005

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

Revenue

District 2 receives substantially all of its revenue from federal, state and city grants.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Note B - Grants Receivable

Grants receivable are deemed to be fully collectible by management and are composed of the following amounts due at June 30, 2005:

State of Louisiana – Governors’ Office of Urban Affairs	\$61,614
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Note C - Concentration of Credit Risk

District 2 maintains one operating bank account at a local bank. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Cash at this institution exceeded federally insured limits. The amount in excess of the FDIC limit totaled \$71,266 as of June 30, 2005.